

MINUTES OF MEETING NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, November 2, 2011 at 5:00 p.m. in the district office, 10300 N. W. 11 Manor, Coral Springs, Florida.

Present and constituting a quorum were:

Steve Mendelson	President (former)
David Gray	President
Vincent Morretti	Secretary
Vandin Calitu	Assistant Secretary

Also present were:

Doug Hyche	District Manager
Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Jane Early	District Engineer
Brenda Schurz	District Clerk
Donna Holiday	GMS-South Florida, LLC
Jessica Ferran	Heron Bay Commons

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 5:00 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the October 5, 2011 Meeting

Mr. Hyche stated the first item of business is approval of the minutes of the October 5, 2011 meeting.

On MOTION by Mr. Mendelson seconded by Mr. Gray with all in favor the minutes of the October 5, 2011 meeting were approved as presented.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation Submitted by Mr. Mendelson

Mr. Hyche stated Mr. Mendelson has moved from Coral Springs and is now residing in Boynton Beach and is no longer a property owner or resident of Coral Springs and N.S.I.D. As such he is no longer qualified to serve on this board and unfortunately, we need to accept his resignation. We appreciate Mr. Mendelson coming today and on behalf of the staff and residents of N.S.I.D. I want to thank you for everything you have done for the district. You certainly provided a great deal of leadership during some challenging times in the past few years with bond issues, growth in the district and continued concerns on utility issues. It has been an exciting and challenging time.

Mr. Mendelson stated I have been on the board for ten years and it has been a terrific experience. I learned a lot about this whole area, the board and staff have been like family. I want to thank you for welcoming me to the board and giving me a good send off today. I am appreciative being here for the last time.

Mr. Mendelson left the meeting at this time.

Mr. Lyles stated I know it is with great reluctance but to proceed with the meeting a motion to accept Mr. Mendelson's resignation would be in order at this time.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Mr. Mendelson's resignation was accepted.

B. Consideration of Appointment of Individual to Fill Unexpired Term of Office

Mr. Hyche stated the next course of action is to appoint a new supervisor to fill the unexpired term of Mr. Mendelson. The district has received a resume that was forwarded to the board members and the board can now take up this item. We would like to introduce Mr. Vandin Calitu and you have his resume in front of you.

Mr. Lyles stated this is a matter that is in the discretion of the remaining two board members. Mr. Mendelson's resignation creates a vacancy for the remainder of his term, which is until next June and at this point no formal process is spelled out or required. You have a small board only three board members and unlike other larger boards you would have to have 100% attendance in order to conduct business unless you appoint someone right away to fill the vacancy that was created but it is within your discretion to make that appointment now if you are comfortable doing so. There is no waiting period and there is no time limit, it is totally up to the board and your comfort level. If you are ready to go ahead today a motion to appoint a new individual to serve as a member of the board of supervisors for the remainder of Mr. Mendelson's term would be in order.

On MOTION by Mr. Morretti seconded by Mr. Gray with all in favor Mr. Calitu was appointed to fill the unexpired term of office.

C. Administration of Oath of Office

Ms. Schurz being a notary public of the State of Florida administered the oath of office to Mr. Calitu.

D. Election of Officers

Mr. Hyche stated the next item is officer elections. Typically when a new board member is appointed an election of officers occurs. You can designate officers individually or a slate of officers.

Mr. Lyles stated someone would move Resolution 2012-02, which elects a slate of officers with Mr. Gray as president, Mr. Morretti as secretary, Mr. Calitu as assistant secretary and the other offices remain the same those are staff positions such as treasurer and assistant secretary and those in essence are there for purposes as completeness but they will remain as is, there is nothing new in that portion of the resolution.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Resolution 2012-02 as outlined above was approved.

FOURTH ORDER OF BUSINESS

Resolution 2012-01 Amending the Heron Bay Commons Budget for Fiscal Year 2011

Mr. Hyche stated item four is Resolution 2012-01 amending the Heron Bay Commons budget for fiscal year 2011. Included in your package is a copy of the resolution and the budget amendment.

Mr. Gray stated this is just to bring the budget to the current status.

Ms. Schurz stated this is housekeeping because last year we had some expenditures we had to reallocate.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Resolution 2012-01 was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Manager

i. Utility Billing Work Orders

Mr. Hyche stated the utility billing work orders were included in your package.

B. Attorney

Mr. Lyles stated I have what amounts to a preview of something that will come before you next month in connection with our bond issue, which you have been hearing about over the months. This is a copy of today's Daily Business Review and the lead story is that our bond counsel, Ruden McClosky, is merging with a statewide firm, Greenspoon Marder, their head office is here in Broward County. That is going to cause you to make a couple of adjustments in terms of the retention and authority of bond counsel. We will be bringing that to your next meeting. We can't do it today because this is news but the deal hasn't been put in writing and signed. Technically by the time we get to our bond closing in the month of December the final bond work, the opinions of bond counsel, the tax work will all be under the name of this new firm to us, it is not a new firm, it is a 30+ year firm here in Florida but the two are merging and our bond counsel will be part of Greenspoon Marder. The offering statement that is going to be prepared and some of the preliminary work that is going to go out before your next meeting will indicate to the investment community that the firm is in the process of combining to the new firm and the information will be there. I just didn't want the board members to hear something at the last minute and not be aware that this was going on. This is something that has been in negotiation for a little while and it is unusual that it happens to come along right at the point where we are ready to issue our bonds. At the next meeting you will have a revised proposal regarding the new firm name, they will be as responsible, they will be standing behind the obligations to the district in the same way. I have had a long conversation with our bond counsel about all of this and they are pulling together all the necessary assurances to you and to the district that it is business as usual but there will be a new name for bond counsel on all the documents that will be finalized and hopefully signed and submitted in

connection with the bond closing during the month of December. I just wanted to let you know that was out there. It has been in the newspaper as well as in this business publication.

Mr. Colon stated I spoke with Denise Ganz today and they are retaining her, she is the original attorney that has been working for North Springs. It is a change in the name of the firm but the same people are still working on our bond issue.

Mr. Lyles stated the whole firm with a couple of exceptions is moving to the Greenspoon Marder firm and our lead bond counsel, Denise Ganz, as well as her support structure, tax partner, all the people who played a role in your transaction are a part of the new firm and the transfer that is going to be occurring over the coming 30 days. Our concern is that we will have the same people with the same insurance coverage the same assurances to you of their capability and their resources to complete the transaction next month. I think management is satisfied with the way things are being done. As district counsel I can tell you that it is a process that occasionally occurs but it is not one that will work to your detriment or cause you any heartburn, we are just going to have a couple of extra documents to sign.

C. Engineer

i. Consideration of Amendment 2 to Work Authorization 199 Reverse Osmosis Plant Injection Well Design and Permitting Procurement Document for a Net Increase in the Lump Sum Amount of \$25,000

Ms. Early stated the first item is amendment no. 2 to work authorization 199 for deep injection well design and permitting.

Mr. Colon stated originally Broward County was going to accept our concentrate. There has been correspondence going back and forth. As you know we are building a new technology process called reverse osmosis and that technology has a waste product concentrate that we were going to send in our wastewater stream to the county. The county at first said they were going to accept it then they wrote back and said they

would only accept it on a limited basis. Based on that we need to have a secondary plan and basically design a deep well at our facilities so that we can dispose of our concentrate and that is what this work authorization is for. We didn't provide it in the original work authorization because we thought the county was going to accept the concentrate with no issues at all. The \$25,000 increase is a pretty reasonable design fee for what they are going to have to do.

Mr. Gray asked what is the total cost going to be now?

Mr. Colon responded you had already approved a \$1.8 million work authorization and this is \$25,000 in addition to that. We are in the design phase of the project and in December or January there will be a work authorization presented for the construction of the facility. The purpose of issuing bonds was to finance this project. We are still negotiating with CH2M Hill as a design/build project and the design is pretty much done but there is some final tweaking they have to do and cost is a big issue so we are going back and forth right now to how much it is going to cost. This amendment is just for the design of the deep well for \$25,000.

Mr. Gray asked are we saving anything with not sending it to the county? Do we have to pay a certain amount to send it to them anyway?

Mr. Colon stated we do, that is absolutely correct.

Mr. Gray stated by not sending it we at least get some savings.

Mr. Hyche stated that is correct.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor amendment no. 2 to work authorization 199 was approved.
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- ii. **Consideration of Change Order 3 and Final County Line Road West Phase 1 & 2 for a Net Increase of \$63,360.67**

Ms. Early stated next is the final balancing change order for Hardrives for the completion of County Line Road. This is just to bring the unit prices to balance the final. The final balancing change order is for a net increase of \$63,360.67. In the back are the tabulated items. We should be scheduling a walk through with the county in the next week or so.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor change order no. 3 and final with Hardrives, Inc. for the County Line Road West phase 1 & 2 contract for a net increase of \$63,360.67 was approved.

iii. Project Status Report

Ms. Early stated County Line Road is just about complete, Parkland Golf & Country Club water main and Heron Bay water main everything is complete and we are in for certification. The chemical building they are working on the building expansion. We are finishing up the multi-purpose trail drawings and we are going to get those into the county for permit and do a cost estimate, which I should have by the end of the week. South Florida permit for the Wedge we resubmitted several weeks ago and we are waiting for their response to accept that as an inclusion into North Springs permit.

SIXTH ORDER OF BUSINESS

Approval of Financials and Check Registers

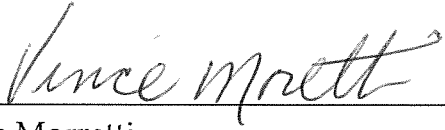
Mr. Hyche stated the next item is approval of the financials and check registers.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the financials and check registers were approved.

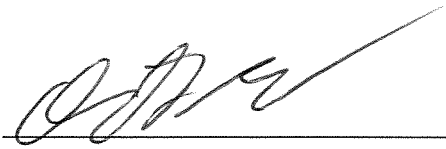
November 2, 2011

North Springs Improvement District

On MOTION by Mr. Gray seconded by Mr. Morretti with all
in favor the meeting adjourned at 5:20 p.m.



Vince Morretti
Secretary



David Gray
President